

Message Text

PAGE 01 JIDDA 05170 071704Z

42

ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 /031 W
----- 063512

O 071655Z SEP 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC NIACT IMMEDIATE 8520

S E C R E T JIDDA 5170

EXDIS

PASS: TREASURY FOR SECRETARY SIMON

E.O.: 11652: GDS

TAGS: EFIN, SA, US

SUBJ: KING FAISAL'S VIEWS OF PURCHASE OF TREASURY IN-
STRUMENTS

REF : JIDDA 5157

1. AMEMBASSADOR ASKED KING FAISAL DURING AUDIENCE SAT-
URDAY, SEPTEMBER 7 IF A DECISION HAD BEEN MADE REGARDING
SAG PURCHASE OF TREASURY SECURITIES (REFTEL). KING SAID,
"YES", AND ROYAL ADVISOR RASHAD PHARAON ADDED THAT THE
KING'S INSTRUCTIONS HAD BEEN TO PURCHASE THREE BILLION
DOLLARS WORTH OF TWO CATEGORIES OF US SPECIAL ISSUES.
KING SAID THIS WAS ALL THAT THE CIRCUMSTANCES PERMITTED
SAG TO PURCHASE AT PRESENT.

2. FAISAL THEN ASKED "WHAT IS THIS I HEAR THAT RABIN
SAID HE WAS GOING TO THE UNITED STATES OF AMERICA TO
DEMAND FIVE TIMES THE AMOUNT OF US HELP ISRAEL GOT BE-
FORE THE WAR?" KING ASKED HIS FRIENDS THE AMERICANS
TO CONSIDER IF IT REASONABLE THAT SAG CONTRIBUTE TO
AMELIORATING THE US ECONOMIC SITUATION ONLY TO HAVE IT
SAID--OR WORSE TO LEARN AS A FACT--THAT THE USG WOULD
HELP ISRAEL WITH SUMS COMPARABLE TO WHAT SAG HAD PAID
FOR BOND PURCHASES.

SECRET

PAGE 02 JIDDA 05170 071704Z

3. KING ANSWERED HIS OWN RHETORICAL QUESTION BY SAYING
SUCH A DEVELOPMENT WOULD NOT BE TOLERATED IN THE ARAB
WORLD. SAUDI ARABIA GREATLY APPRECIATED PRESIDENT FORD'S
KIND LETTER--WHICH THE AMBASSADOR HAD JUST DELIVERED. THAT

IS WHY, KING SAID, WE OWE IT TO PRESIDENT FORD AND OUR FRIENDS IN THE US TO STATE THAT OUR COMMON GOAL OF A JUST AND PERMANENT PEACE IN THE MIDDLE EAST CAN ONLY COME ABOUT IF US PUTS A STOP TO ISRAELS INTRANSIGENT AND EXPANSIONIST AMBITIONS. AFTER THIS, SPEAKING EARNESTLY, KING ASKED THAT SAUDI PURCHASE OF US SPECIAL ISSUES BE KEPT STRICTLY SECRET.

4. SENIOR US BANKING FIGURE INFORMED EMBASSY TODAY, SEPTEMBER 7, THAT WHILE STAYING AT DORCHESTER IN LONDON HE HAD BEEN TOLD BY MEMBER OF FAHD'S PARTY THAT SAUDI PURCHASE OF US SECURITIES WAS COMPLICATED BY US AID TO ISRAEL. FAHD'S ATTENDANT ALLEGEDLY SAID THAT SAG SHOULD REFRAIN FROM SUCH PURCHASES BECAUSE ARABS WOULD POINT TO ONGOING US AID TO ISRAEL AND CONCLUDE SAG WAS SIMPLY FINANCING ISRAEL'S ARMS PURCHASES FROM US. COMMENT: THIS WOULD SERVE TO EXPLAIN FAHD'S OPPOSITION TO PURCHASE OF TREASURY ISSUES, AS REPORTED IN JIDDA'S REFTEL.
AKINS

NOTE: NOT PASSED TREASURY BY OC/T.

SECRET

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: Z
Capture Date: 18 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 07 SEP 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JIDDA05170
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: n/a
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197509102/abbrzhir.tel
Line Count: 78
Locator: TEXT ON-LINE
Office: n/a
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2003 by BoyleJA>; APPROVED <05 NOV 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KING FAISAL'S VIEWS OF PURCHASE OF TREASURY IN- STRUMENTS
TAGS: EFIN, SA, US
To: STATE NIACT
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006